

CLAIMS

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1. A method for electronically trading stocks using an electronic trading system while maintaining the identity of the trading parties anonymous with respect to each other and with respect to users of the trading system, comprising the steps of:

5. a first party offering to buy or sell over the system a number of shares selected by the first party of a stock at a price selected by the first party from or to one or more counterparties selected by the first party;

the first party and a counterparty electronically agreeing to trade up to an agreed number of shares of the stock at an agreed price;

10 if there is no better trade in at least one stock order originating from outside the system for the particular stock for either the first party or the counterparty, the system electronically executing the trade agreed to by the first party and the counterparty, otherwise the system executing the better trade.

66500T-30421450

15 2. The method of claim 1 including the step of the system identifying users who have engaged in recent trade or order activity in particular stocks, and wherein the step of the first party offering to buy shares from or sell shares to one or more selected counterparties includes selecting the one or more counterparties from the users identified by the system.

20 3. The method of claim 1 comprising the step of the first party and the counterparty electronically negotiating the price of the stock or the number of shares of the stock, or both, over the system prior to agreeing to the trade.

4. The method of claim 3 wherein the step of determining whether there is a better trade in the particular stock for either the first party or the counterparty is determined at least once during the negotiating step and at least once after completion of the negotiating step and before any trade is executed between the first party and the counterparty.

25 5. The method of claim 1 comprising the step of users of the system selecting

counterparties to whom the system automatically electronically conveys orders of respective users.

6. The method of claim 1 wherein the step of agreeing to trade up to an agreed number of shares of stock includes agreement by the users to trade for less than the full number of shares offered at an agreed price.

7. In a system for conducting anonymous trades of stock between users of the system, including at least one computer with associated computer memory which receives anonymous orders from a plurality of users of the system, and is programmed to electronically execute trades of matching orders and to support anonymous electronic negotiations between a first user and a second user of the system for a trade of a stock and to execute negotiated trades in accordance with at least price and quantity terms agreed to by the negotiating users;

wherein the improvement comprises the at least one computer also receiving stock orders originating from outside the system and being programmed to also execute a trade of an order from a user of the system matched with an order originating from outside the system, and a trade between a negotiated order from a user of the system and an order originating from outside the system, the computer being programmed to execute a trade in accordance with a priority when the same trade becomes available between two orders originating within the system and an order originating from within the system and an order originating from outside the system.

8. The system of claim 7 wherein the at least one computer is programmed to provide priority of trade execution to orders originating within the system.

9. A system for conducting anonymous negotiations in trading stock comprising: at least one computer with associated computer memory which receives hidden orders from a plurality of users and public orders originating from outside the system, the at least one computer being programmed to:

support anonymous negotiations between first and second users with the hidden

orders;

to repeatedly determine whether there is a match of any one of the hidden orders with any one of the public orders; and

to execute a pair of orders selected from the hidden orders and the public orders.

5 10. The system of claim 9 wherein the pair of orders includes hidden orders paired by anonymous negotiation and by acceptance by the first and second users.

11. The system of claim 9 wherein the pair of orders includes a first hidden order of the first user and a public order received by the at least one computer matched to the first hidden order.

10 12. The system of claim 9 wherein the at least one computer is programmed to conduct anonymous negotiations between the first user and a plurality of second users selected by the first user.

13. The system of claim 9 comprising a user station having an input device and an output device.

15 14. The system of claim 13 wherein the at least one computer is programmed to provide available anonymous negotiation partners from which the first user can select using the input device.

20 15. The system of claim 13 wherein the at least one computer is programmed to provide a pop-up input window to the output device for receiving user inputs for conducting the negotiations between the first and second users.

5 16. In an electronic trading system comprising at least one computer with associated computer memory and a plurality of user stations coupled thereto via a communications network, where the at least one computer is programmed to match orders entered into the user stations by users and to execute trades of matched orders;

10 the improvement comprising the at least one computer having a listing of system users accessible by any system user via a user station, wherein responsive to user input via user stations the at least one computer is programmed to create a subset of system users selected by a user to which that user authorizes the system to transmit an indicator-of-interest (IOI) in a stock for which that user has entered an order, the at least one computer being programmed to transmit an order entered by a user and associated therewith an IOI to the users in the subset of users selected by the user that entered the order.

15 17. The system of claim 16 wherein the computer is programmed to automatically transmit the IOI with the order.

18. The system of claim 16 wherein the computer is programmed to transmit the IOI only when a command is entered in association with the order via a user station.

19. The system of claim 16 wherein the computer is programmed to automatically transmit the IOI with the order unless an override command is entered in association with the order via a user station.

20 20. The system of claim 18 wherein the user stations include a keyboard, the command being entered via the keyboard.

21. The system of claim 20 wherein orders are entered via the keyboard, and the command is appended to an order via the keyboard.

25 22. The system of claim 19 wherein the user stations include a keyboard, the command being entered via the keyboard.

23. The system of claim 22 wherein orders are entered via the keyboard, and the command is appended to an order via the keyboard.

24. The system of claim 16 wherein the at least one computer is programmed to transmit an IOI in association with an order only if the order exceeds a threshold quantity.

25. The system of claim 16 wherein the at least one computer is programmed to transmit an IOI in association with an order only if that order and any uncanceled orders for the same stock entered by the same user exceed a threshold quantity.

26. A method of determining interest in a stock among users of an electronic stock trading system which includes user stations for entering orders and at least one computer and associated computer memory for matching orders and executing trades, comprising the steps of:
a user at a user station selecting users from among other users of the system to which the user wants to transmit an indicator-of-interest (IOI) in a particular stock; and
the system transmitting the IOI to the selected users only when the user enters an order at the user station for the particular stock.

27. The method of claim 26 wherein the transmitting step comprises the system automatically transmitting the IOI with the order.

28. The method of claim 26 wherein the transmitting step comprises the system transmitting the IOI only when a command is entered by a user at the user station in association with the order.

29. The method of claim 26 wherein the transmitting step comprises the system automatically transmitting the IOI with the order unless an override command is entered at the user station in association with the order.